



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Business Regulation
INSURANCE DIVISION
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FAQs for the Licensing of Rhode Island Surplus Line Brokers

The following is a list of frequently asked questions that should assist applicants with the licensing process of Rhode Island Surplus Line Brokers:

1. *Is the Surplus Line Broker applicant required to first hold a Producer License?*

Yes, surplus line broker applicants (business entities and individuals) must first hold an active insurance producer license. All new applicants are encouraged to verify his/her/its producer license prior to applying for a surplus line broker license.

2. *Is the Surplus Line Broker applicant required to post a bond in the amount of \$25,000?*

Yes, all Rhode Island residents (individuals and business entities) are required to post a bond in the amount of \$25,000. If an individual is covered under an agency bond, his/her name should be listed on such. Rhode Island is reciprocal with those states that do not require a bond, please click here for a list of states that require a bond for surplus line brokers:

http://www.dbr.state.ri.us/pdf_forms/insur/SLB%20Bond%20Information.pdf

If the state is not listed, a bond is NOT required. If a bond is not required in the applicant's home state, a bond is not required for a nonresident license in Rhode Island.

3. *Is a Letter of Certification required?*

No, a Letter of Certification is not required.

4. *What is a Letter of Certification or a Letter of Good Standing?*

A "Letter of Certification" and a "Letter of Good Standing" is a certified letter that is issued by the licensee's home state Insurance Department and is proof that he/she is currently licensed and in compliance with all of the home state requirements.

A Letter of Certification is not required for nonresidents that are applying for a RI Surplus Line Broker license. The RI Insurance Division will verify the State Producer Licensing Database (SPLD) or the individual/business entity may submit a copy of the Producer Database (PDB) verification.

5. *What is a Letter of Clearance?*

A Letter of Clearance is a certified letter that indicates that he/she has cancelled their home state license. A Letter of Clearance is required for all nonresident Surplus Line Brokers that are moving to RI that were previously licensed in that state. If the applicant is moving from RI to another state and he/she is required to obtain a Letter of Clearance from RI, applicants may

request such and pay a fifteen (\$15) dollar fee (per letter). To obtain a Letter of Clearance Request Form, please click here:

http://www.dbr.state.ri.us/pdf_forms/insur/Request%20for%20Letter%20of%20Clearance.pdf

6. *I am applying for a Surplus Line Broker license in another state and I am required to attach a Letter of Certification or a Letter of Good Standing, how do I request such?*

The Rhode Island Insurance Division issues Letters of Certification and Good Standing for resident Surplus Line Brokers that are currently licensed and in compliance with all of the RI licensing requirements. Please click here to obtain a Letter of Certification Request form:

http://www.dbr.state.ri.us/pdf_forms/insur/Request%20for%20Letter%20of%20Certification.pdf

7. *What is the correct fee(s) for a RI Surplus Line Broker and does the Department require separate checks?*

The application fee is \$50.00 and the license fee is \$100. Separate checks are required for each application submitted.

Checks are made payable to: General Treasurer, State of Rhode Island.

8. *What is the Insurance Division's policy regarding the addition of a "DBA" (Doing Business As or Assumed) Name to an active license or for those applicants that are applying for the first time?*

A Surplus Line Broker doing business under any name other than the Broker's legal name is required to notify the Insurance Commissioner prior to using the assumed name, pursuant to RI Gen Laws § 27-2.4-12. The addition of a DBA or Assumed Name must be in writing to the Insurance Division and a twenty-five (\$25.00) duplicate license fee is required, if requested. The DBA or Assumed Name will print on his/her individual Surplus Line Broker license.

9. *I just received the Surplus Line Broker license and the license indicates that there is "No LOAs Associated" in the Line of Authority column, is this correct?*

There are no lines of authority associated with Surplus Line Brokers; therefore, the license is printed accurately.

10. *How should a licensee change their resident address, business address and/or legal name on the Surplus Line Broker license?*

To update the address information, licensees are required to fax (401-222-5475) or mail changes to the Rhode Island Insurance Division. For name changes applicants are required to include a copy of the legal name change documentation. Please click here to obtain a Change of Address-Name form: http://www.dbr.state.ri.us/pdf_forms/insur/LicenseeChangeofAddressForm.pdf

11. *How is a duplicate license obtained and what is the correct fee?*

Appraiser licensees are required to submit his/her request in writing and a check in the amount of twenty-five (\$25) dollars is required. The duplicate license request should be mailed to the RI Insurance Division, Licensing Section.

Checks are made payable to: General Treasurer, State of Rhode Island.

12. *How should a license be cancelled?*

Licensees that wish to cancel his/her/its license are required to return the original license along with a letter advising the Rhode Island Insurance Division of such.

13. *The renewal form instructions indicate that a Certificate of the Tax Administrator of Tax Payment by Surplus Line Broker form is required, what exactly is this form and why is it needed?*

The Certificate of the Tax Administrator of Tax Payment by Surplus Line Broker is only required at the time of renewal. The Tax form is not required for first time applicants. The Tax form is certified by the Rhode Island Division of Taxation and certifies that all taxes have been paid to this State. Taxes must be filed with the RI Division of Taxation no later than April 1st of the year in which the license is renewed.

Click here for a copy of the Certificate of the Tax Administrator of Tax Payment by Surplus Line Broker Form:

http://www.dbr.state.ri.us/pdf_forms/insur/Cert-Tax-Admin-Payment.pdf

The Tax Form should be mailed to: The State of Rhode Island Division of Taxation
One Capitol Hill
Providence, RI 02908

Once the RI Division of Taxation has certified the Tax form, the form will be mailed directly to the RI Insurance Division, Licensing Section.

14. *How does the Surplus Line Broker licensee obtain information regarding taxes and/or the payments of such?*

For information pertaining to surplus line broker taxes, licensees should contact the RI Division of Taxation, Tax Administrators Office at 401-222-3061.

15. *The Surplus Line Broker license has not been renewed on time, what steps should be taken to reinstate the license?*

Once the license has expired, the licensee has one (1) year to reinstate the Surplus Line Broker license.

- If the Reinstatement is received within the thirty (30) day grace period of the expiration date, the individual is required to complete an Application for License Reinstatement (Individual or Business Entity) and pay a two-year Renewal Fee of \$100.
- If the Reinstatement is received over the thirty (30) day grace period of the expiration date, the individual is required to complete the Application for License Reinstatement (Individual or Business Entity), pay the two-year renewal fee of \$100 **AND** pay the additional \$50 Reinstatement Fee.

*** *The Reinstatement fee is in addition to the two-year renewal fee.***

To obtain the required forms and instructions, please click here:

http://www.dbr.state.ri.us/insur_surplus.html

16. *Does the licensed surplus line broker receive a new license each time it is renewed?*

No, Surplus line broker licenses are perpetual and are not reissued upon renewal. To check the status of the license or to verify the expiration date and effective date, licensees should visit the Department website.

Check here: <https://sbs-ri-public.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp>

17. The Surplus Line Broker license renewal notice was never received, is it required that the licensee renew his/her/its license?

Yes, Surplus Line Broker renewal notices are mailed at least sixty (60) days prior to the expiration date. If the renewal notice is not received, the licensee is responsible for the renewal of his/her/its license.

18. How should the surplus line broker licensee verify his/her/its expiration date?

To check the status of a Surplus Line Broker license or to verify the expiration date, licensees should click here: <https://sbs-ri-public.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp>

Follow the instructions and enter only the information that is needed for the search criteria. If the applicant is licensed, the search page information will display the licensee's information. If the information is not populated on the website, the applicant is ***NOT*** authorized to transact Surplus Line Broker Business and the application has ***NOT*** been processed and/or approved by the RI Insurance Division. Surplus Line Broker licenses are issued for two (2) years and will expire in March, June, September, or December. The Surplus Line Broker license will expire at the same time as the Insurance Producer license.

The Surplus Line Broker license is a separate license type and there are no lines of authority associated. Licenses are not printed with an expiration date and the insurer, the agency or the individual licensee should verify the status of such online.

19. The licensee has questions relating to the Surplus Line Affidavit by Broker Form, whom should they contact?

For questions relating to the Surplus Line Affidavit by Broker Form, please contact the RI Insurance Division, Property & Casualty section at 401-222-2223 (follow the prompts on the main menu.) Click here for a copy of the Surplus Line Affidavit by Broker Form: http://www.dbr.state.ri.us/pdf_forms/insur/Aff-Broker-Insured-Form.pdf

20. Is the E-licensing service available for Surplus Line Brokers?

Yes, applicants are encouraged to apply online and current licensees have the ability to renew/reinstate his/her/its license. For NONRESIDENT applications and renewals, you may visit the National Insurance Producer Registry (NIPR) website at www.licenseregistry.com (**Note: Applicants must click on "Producer" to access the electronic licensing options.**)

RESIDENTS that wish to renew/reinstate their license should click here:

https://sbs-ri-public.naic.org/Lion-Web/jsp/login/login_main.jsp

For questions relating to the NIPR website and online licensing process, applicants should call the NAIC helpdesk at 816-783-8500.